

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## ITALIAN ASSISTANCE TO EXPORTS OF FLOUR

### Communication from the Australian Government

The following statement has been received from the Government of Australia with a request that this item be included on the Agenda for the meeting of the Intersessional Committee commencing on 24 September 1958:

"Over a considerable period Australia has been a traditional exporter of flour to the Asian and Indian Ocean markets. This position has been achieved on the basis of fair commercial competition. However, in recent years Australian exports have been reduced by subsidised and/or dumped exports of flour from certain European countries. These practices have led to a distortion of the normal pattern of trade and have enabled certain countries to increase their share of the world flour market to the detriment of Australian exports.

"Since 1956 Italy has exported flour to markets in Asia and around the Indian Ocean. It is believed that such exports have been made possible only through the operation of the Italian wheat/flour scheme which gives an element of assistance to Italian exports in a manner contrary to the provisions of GATT.

"The Australian Government believes that Italian flour is not entitled to enter these markets on the basis of export subsidies and/or dumping. Accordingly, on 26 July 1958, the Italian Government was requested to enter into consultations in accordance with the relevant provisions of GATT. Australia sought an assurance that the Italian wheat/flour system would be operated in future so as to preclude subsidised and/or dumped sales from adversely affecting Australia's exports of flour and wheat.

"In consultations which were held in Rome no satisfactory solution was reached. The Australian Government now wishes the Intersessional Committee at its meeting of 24 September to examine subsidised/or dumped flour exports which are harmful to Australia's flour trade. The Italian Government have been informed of our intention to refer the matter to the CONTRACTING PARTIES for examination.

"The Australian Government is ready to enter into further consultations with the Italian Government prior to the meeting of the Intersessional Committee if this is desired. In the event that such consultations are not held or they do not produce satisfactory results, Australia would ask for the full discussion of the matter by the Intersessional Committee at its next meeting."